

Testimony to Finance Committee Regarding the Governor's Budget

S.B.No.946 AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET

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Good afternoon, Senator Fonfara, Representative Berger and members of the committee. I am Dr. Pat Checko. I am a member of the MATCH Coalition Board and have been a member of the Tobacco and Health Trust Fund Board since its creation in 2000. MATCH Coalition is opposed to the Governor's budget option to eliminate the annual transfer of \$12 Million from the Tobacco Master Settlement Fund to the CT Tobacco and Health Trust Fund (THTF) for two year, and to reduce that amount to \$6 Million (half) in 2018 when it is reinstated.

The burden of tobacco use on Connect remains unacceptable. It accounts for 4,900 deaths every year, an annual health care cost of \$2.03 Billion, and \$670 per household for the residents' state and federal tax burden from smoking-caused government expenses.

While Connecticut has made progress in reducing overall adult cigarette use from 22.8% in 1999 to 15.5% in 2013, smoking rates and continued poor health outcomes have changed little for high risk populations including the poor, Medicaid recipients, those with behavioral health conditions and also those who have limited education. These populations utilize more health care services at a very high cost. Yet the tobacco industry continues to create new products, some totally unregulated, such as e-cigarettes, to induce yet another generation of youth to become addicted and dependent on tobacco. Currently 1 in 4 of our high school seniors are using tobacco products.

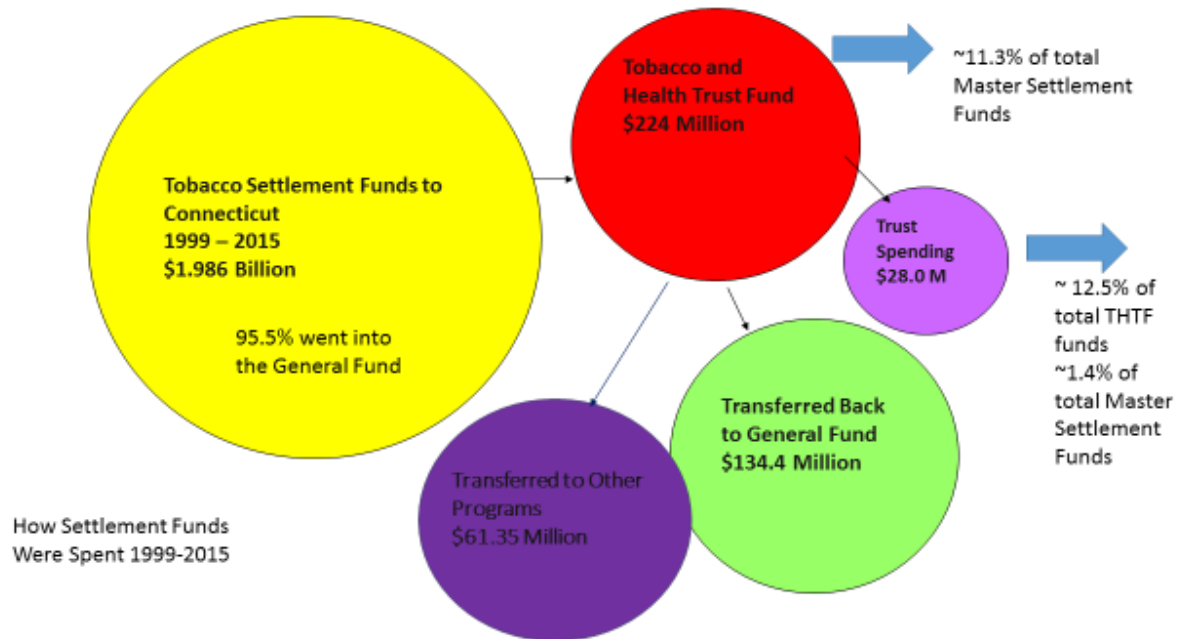
On November 23, 1998, 46 states settled their lawsuits against the nation's major tobacco companies to recover tobacco-related health care costs, joining four states – Mississippi, Texas, Florida and Minnesota – that had reached earlier, individual settlements. These settlements require the tobacco companies to make annual payments to the states in perpetuity, with total payments estimated at \$246 billion over the first 25 years.

It has been 15 years since that historic landmark and the tobacco industry has provided states with 116. 3 billion dollars, with Connecticut receiving approximately 2 billion dollars. These funds helped many states develop and implement comprehensive tobacco programs. There is conclusive evidence that tobacco prevention and cessation programs work to reduce smoking, save lives and save money by reducing tobacco-related health care costs, when part of a comprehensive strategy also includes higher tobacco taxes and smoke-free workplace laws.

Studies have shown that California, which has the nation's longest-running tobacco prevention and cessation program, has saved tens of thousands of lives by reducing smoking-caused complications at birth, heart disease, strokes and lung cancer. Between 1988 and 2004, lung and bronchus cancer rates in California declined nearly four times faster than-the rest of the United

States. A February 2013 study in the scientific journal *PLOS* (Public Library of Science) *ONE* found that from 1989 to 2008, California's tobacco control program reduced health care costs by 134 billion dollars, far more than the 2.4 billion dollars spent on the program.

A December 2011 study in the *American Journal of Public Health* found that between 2000 and 2009, the state of Washington saved more than five dollars in health care costs for every one dollar spent on their tobacco prevention and cessation programs by reducing hospitalizations for heart disease, stroke, respiratory disease and cancer caused by tobacco use. Over the 10-year period, the program prevented nearly 36,000 hospitalizations, saving 1.5 billion dollars compared to the 260 million dollars spent on the program. The 5:1 return on investment is conservative because the cost savings reflect only the savings from hospitalizations that were prevented.



Of the \$1.99 Billion dollars that Connecticut has received in Master Settlement Funds only \$28 Million or 1.4% were spend directly on comprehensive tobacco prevention and control initiatives and activities through the Tobacco and Health Trust Fund recommendation. And although \$224 Million was transferred to the THT, most of these funds were swept back into the general fund (57%) and (27%) were disbursed by the legislature for various other health related initiatives.

The need to continue the fight against tobacco initiation and use remains imperative as a public health winnable battle. In the most recent Tobacco Free Kids Tobacco Report released on

December 11, 2014, Connecticut ranked 29th among the states for spending on tobacco prevention. And our ratio of tobacco company marketing to total spending on tobacco prevention was 22.2 to 1. This is a considerable improvement for Connecticut that only a few years ago was tied for last. But we can, and must do better.

Every advance we make is counteracted by the tobacco industry. Every day they are creating new products and new marketing to attract our kids to becoming the next generation addicted to nicotine. Many of these products are either totally unregulated, like e-cigarettes or other vaping products, or fall outside the authority of the FDA to regulate, like flavored cigars, and chewing tobacco. Results from the Connecticut State Department of Public Health (DPH) 2013 Youth Tobacco Survey indicate that while 9% of our high school students reported smoking cigarettes, but 20% reported using some type of tobacco product in the last 30 days. For our young men, the rate was one in four!

Each year in Connecticut, 2,500 of our youth under age 18 become new daily smokers. An estimated 56,000 children alive in Connecticut today will die prematurely from smoking-related diseases. We cannot ignore these figures and we cannot continue the cycle of sweeping the THTF every time there is a budget deficit. Our prevention and control initiatives must keep pace with the new threats that alternative tobacco products pose, along with traditional cigarettes, continue to pose to our residents.

We are aware that Connecticut will be facing a substantial budget shortfall. In the past the THTF has been seen as one way to help breach the gap. The THTF is the sole funding source for the CT QuitLine, the statewide free, telephone based smoking cessation initiative, providing nicotine replacement therapy and individual counseling to CT smokers. If the funds go away, so does the QuitLine and all the other important initiatives it makes possible. I ask that you consider this in your deliberations. Currently the QuitLine is funded through June 2016. If there are no THTF there will be no state QuitLine. We urge you to not adopt the Governor's budget option for the Tobacco and Health Trust Fund and to reinstate the current \$12 Million annual transfer